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OFFICE OF THE ATTORNEY GENERAL
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Press Release

FOR IMMEDIATE RELEASE

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Atty. Gen. McGraw Settles Suit Against Ohio Collection Agency

CHARLESTON – West Virginia Attorney General Darrell McGraw has announced a settlement agreement with National Enterprise Systems (NES) that will halt alleged unlawful practices reported in consumer complaints against the Ohio-based collection agency.

Last year, Attorney General McGraw's Consumer Protection Division filed a lawsuit accusing NES of using illegal and strong-arm tactics in their attempt to collect debts from West Virginia consumers. The suit alleged abuses including telephone harassment, repeated calls to consumers who stated they did not owe the debt, and false threats of lawsuits, arrest and criminal prosecution.

McGraw's suit also alleged that NES, which attempted to collect debts owed to many West Virginia colleges and universities, added unlawful fees to the accounts. In its defense, NES contended that it had simply collected the amounts requested by each school and did not know if or when additional fees had been added.

In the Agreed Final Order approved by the Circuit Court of Kanawha County, NES will pay \$75,000 to the State of West Virginia, which will be used for providing restitution to complainants as well as consumer protection and education. NES also agreed to comply with state and federal consumer protection laws and to submit a comprehensive plan within 90 days outlining actions it will take to meet the terms of the order.

"Notwithstanding the alleged conduct that led to this lawsuit, I am satisfied that NES is committed to resolving our concerns and I commend the company for agreeing to this settlement," Attorney General McGraw said. "It is my hope that the actions taken in this and similar cases will place the collection industry on notice that the rules of fair and ethical conduct will be strictly enforced in West Virginia."

As part of the settlement coordinated by the Attorney General's Office, settlement funds will be used to reimburse students and consumers who paid unlawful fees to NES for debts allegedly owed to West Virginia schools. A claims process for reimbursement of unlawfully collected fees will be announced later this month.

West Virginia consumers can file complaints or alert the Attorney General's Office to unfair or deceptive practices by calling the Consumer Protection Hot Line, 1-800-368-8808, or by obtaining a complaint form from the consumer web page at www.wvago.gov.

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